



NAFDPIR 2004

USDA General Session

June 15, 2004



Topics to be Covered

- FNS' Responses to the 2003 NAFDPIR Resolutions
- Status of Food Package Review
- Analysis of FY 2002-2003 Management Evaluation Findings
- Regulation and Policy Changes



Topics to be Covered

- Status of Prime Vendor and Southwest Multi-food Warehouse Pilots
- Status of Bison Purchase for FY 2004
- Administrative Funding:
 - FY 2003 Wrap-up
 - FY 2004 Funding
 - FY 2005 President's Budget
- Question and Answer Period



2003 NAFDPIR RESOLUTIONS



2003 NAFDPIR Resolutions

1. Include all commodity food items available under other food distribution programs to meet the variety and nutritional needs of FPDIR program participants.
2. Increase funding for bison purchases to \$10 million with half from Native American producers and half from producer owned cooperatives or bison ranchers.



2003 NAFDPIR Resolutions

3. Continue the Prime Vendor Pilot in the Midwest Region, and expand it to other Regions on a voluntary basis.
4. Set aside a negotiated discretionary funds to buy culturally appropriate food for each of the 6 Regions.



2003 NAFDPIR Resolutions

5. Expand the current FDPIR medical deduction to cover non-reimbursable medical expenses.
6. Allow all Federal funds to be expended prior to the obligation of the tribal match amount.
7. Rescind OMB Circular A-87 and allow ITOs to utilize the fair market value of building used for FDPIR for in-kind matching purposes.



2003 NAFDPIR Resolutions

8. Allow an income deduction for cost of maintaining the elderly and disabled in their home.
9. Adjust the FDPIR food package for one-person households so that they receive all items each month.



FOOD PACKAGE REVIEW



Food Package Review

Product	Direct	Multi-food
Diced Tomatoes	Oct	Sept-Nov
Canned Kidney Beans	Oct	Sept-Nov
Canned Turkey	Oct	Nov/Dec
Whole-Wheat Flour	Oct	Oct/Nov
Reduced-Fat Cheese Blend	July	Aug/Sept



Food Package Review

Product	Direct	Multi-food
Calcium Fortified Orange Juice	TBD	TBD
Reduced Fat & Sodium Cream of Mushroom Soup	TBD	TBD
Canned Hominy	TBD	TBD



Food Package Review

- Food Package Review Work Group has been convened for a new review cycle

- NAFDPIR members:

Tony Nertoli

Ray Capoeman

Pat Roberts

Red Gates

Roxanna Newsom

Betty Jo Graveen*

* Changed since NAFDPIR conference



Food Package Review

- FNS Regional Office members:
Karen Kell, RD - SERO
Sarah Kellogg - WRO
- IHS members: TBA
- CDC member:
Susan Anderson, MS, RD



Food Package Review

- FNS-HQ members:
 - Phil Cohen
 - Joanne Wyka
 - Nancy Theodore (staff support)
- AMS member:
 - Richard Lawson
- FSA member:
 - Sandra Lesesne



Food Package Review

Special Areas of Focus:

- Package for one-person households
- Further reductions in fat, sugar and sodium
- Improvements to packaging
- Alternatives to maximize convenience (e.g., instant rice)



Food Package Review

Special Areas of Focus:

- Exchange of other protein products for meat products
- Other oils
- Other frozen foods
- Substitution for corn syrup



FY 2002-2003 MANAGEMENT EVALUATION FINDINGS

Overview



FY 2002-2003 Management Evaluation Findings Overview

Certification <u>Problem Areas</u>	Percentage of ITOs	
	<u>FY 2002</u>	<u>FY 2003</u>
1. Other documentation that supports eligibility determination	30%	29%
2. Documentation of zero income	40%	17%
3. Full month wage statements to document earned income	35%	14%



FY 2002-2003 Management Evaluation Findings Overview

Certification <u>Problem Areas</u>	Percentage of ITOs	
	<u>FY 2002</u>	<u>FY 2003</u>
4. Documentation of unearned income	30%	14%
5. Assignment of appropriate certification periods	30%	10%
6. Documentation of membership in a Federally recognized tribe	20%	10%



FY 2002-2003 Management Evaluation Findings Overview

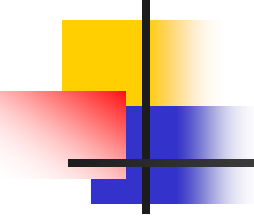
Certification Problem Areas	Percentage of ITOs	
	<u>FY 2002</u>	<u>FY 2003</u>
7. Proper treatment of fluctuating income	10%	19%
8. Training certifiers on policy changes	15%	10%
9. Clear/comprehensive application and worksheet	0%	14%
10. Advise households about reporting changes	10%	0%



FY 2002-2003 Management Evaluation Findings Overview

Dual Participation

	1997 OIG Audit	FY 2002 MEs	FY 2003 MEs
Number of reviews that found dual participation	11	3	3
Percentage of reviews	37%	15%	7%



FY 2002-2003 Management Evaluation Findings Overview

Inventory Control

	1997 OIG Audit	FY 2002 MEs	FY 2003 MEs
Percentage of reviews that found out-of-date commodities	93%	20%	29%

REGULATION AND POLICY CHANGES





Regulation and Policy Changes

Policy #	Subject	Date
FD-012 (#30)	Family Subsistence Supplemental Allowances	3/31/03
FD-013 (#20)	Home Delivery of Commodities	3/31/03
FD-021	FDPIR Matching Requirements	6/5/03



Regulation and Policy Changes

*** Updated to include Policy Memoranda
issued subsequent to NAFDPIR conference**

Policy #	Subject	Date
FD-022	Adjusted Guide Rates for Fresh Fruits & Vegetables	6/9/03
FD-024	Household Overissuances	3/15/04
*FD-029	Medicare Prescription Drug Card	6/29/04



Regulation and Policy Changes

- **Proposed Regulation:**

- Establish resource limit of \$3000 for households with disabled member
- Increase resource limit for households without elderly or disabled members to \$2000
- Allow resource exclusion of up to \$1500 per person for pre-paid funeral arrangements



Regulation and Policy Changes

- Allow households in which all members are disabled or elderly to be certified for up to 24 months
- Allow ITO/SA option to provide transitional benefits FDPIR households that leave TANF
- Draft proposed rule in clearance within the Food Distribution Division



STATUS OF PILOT PROJECTS



Prime Vendor Pilot

- Operates in 23 ITOs in Midwest Region
- Extended until June 30, 2005
- Department of Defense Prime Vendor purchases and delivers commodities to ITOs
- ITOs place orders directly to vendor via Internet



Southwest Multi-Food Warehouse Pilot

- Operates in 19 ITOs in Southwest Region
- Began full operation in May 2004
- USDA continues to purchase commodities; contractor stores commodities and delivers to ITOs
- ITOs place orders directly to contractor via Internet



FY 2004 BISON PURCHASES



FY 2004 Bison Purchases

- \$4 million appropriated for FY 2004
- ITOs given choice of :
 - * frozen ground meat - Native American produced animals
 - * frozen ground meat - commercially produced end-product (including few, if any, animals from Native American producers)
 - * canned bison stew (including few, if any, animals from Native American producers)



FY 2004 Bison Purchases

Pre-Orders by ITOs = \$3,992,715

	Native American Produced Ground Meat	Commercially Produced Ground Meat	Canned Stew
Total Cases	7,729	12,875	18,325
Total Value	\$1,623,090	\$1,545,000	\$824,625
Estimated Cost/Pound	\$5.25	\$3.00	\$1.25



FY 2004 Bison Purchases

Percentage of ITOs Ordering Each Product

Native American Ground	Commercial Ground	Canned Stew
64%	84%	84%



FY 2004 Bison Purchases

<u>ITOs:</u>	<u>Number</u>	<u>Percentage</u>
■ Not ordering any products	1	0.9%
■ Ordering all products	52	47%
■ Ordering Native American ground only	3	3%
■ Ordering commercial ground only	8	7%



FY 2004 Bison Purchases

ITOS:

	<u>Number</u>	<u>Percentage</u>
■ Ordering canned stew only	4	4%
■ Ordering both ground products, but not canned	6	5%
■ Ordering canned and commercial ground, but not Native American ground	27	24%



FY 2004 Bison Purchases

- Actual orders and deliveries are dependent on the current cost and availability of product, as well as shipping restrictions (i.e., full or half truck loads)

AMS Bison Purchases



Duane Williams

Chief, Commodity Procurement Branch

Livestock and Seed Program

Agricultural Marketing Service

U.S. Department of Agriculture



Marketing and Regulatory Programs

AMS Bison Purchases



Legal Authority

- Section 32.
 -
- Appropriations Act.



AMS Bison Purchases




Fiscal Year 2003 (Appropriations)

- \$3,000,000 funds obligated
- Purchased 1,080,000 Pounds Ground Bison
- \$2.86 -- Average cost per pound

Current AMS Bison Purchase Program

- Products to be purchased:
 - Ground Bison, Frozen (2# pkg)
 - Ground Buffalo, Frozen (2# pkg)
 - » Will be produced from bison owned by Native American Bison producers or Native American owned cooperatives

Bison Products Fat Content

- 
- Ground Buffalo – Not to exceed 10 percent
 - Ground Bison – Average Fat Content -- 11 percent
 - Canned Bison Stew – Not to exceed 5 grams per 100 gram serving (5 percent)

Current AMS Bison Purchase Program



Fiscal Year 2004 (Appropriations) \$4,000,000

Purchases to date:

Product	Pounds Purchased	Dollars Obligated
Canned Bison Stew	504,000	\$640,000
Ground Bison, Frozen	200,000	\$607,000



AMS Bison Purchases



Specification Requirements

- **FSIS Establishment**
- **Microbial** ■
- **Fat content**
- **Freezing**
- **Raw Materials**



AMS Bison Purchases



Obstacles to Timely Delivery

- **Microbial**
- **Industry Capacity** ■
- **Purchase and processing live Bison**




AMS Bison Purchases



AMS Strategy for Timely Deliveries

- **Increase Supplier Base**
- **Technical Sessions for Suppliers**
- **Purchase of Canned Products**
- **Dedicated Staff Member**

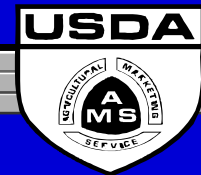
Other Products Purchased

- 
- Ground Beef in 1- pound package
 - Canned Beef Stew
 - Canned Luncheon Meat
 - Canned Tuna
 - Canned Beef and Canned Pork

Future Items



- Canned Beef with Tomato Sauce
- Canned Pork with Tomato Sauce
-
- Canned Beef Chili without Beans



AMS Bison Purchases



Questions



Marketing and Regulatory Programs



FDPIR FUNDING



FY 2003 Wrap-Up

	FY 2002	FY 2002	FY 2003	FY 2003
	<u>Approp.</u>	<u>Unspent</u>	<u>Approp.</u>	<u>Unspent*</u>
Gen. Admin.	\$23,357,000	\$177,899	\$22,831,000	\$158,983
Nut. Educ.	\$200,000	\$9,402	\$200,000	\$9,789
Capital	<u>\$0</u>	<u>\$0</u>	<u>\$3,000,000</u>	<u>\$24,197</u>
Total	\$23,557,000	\$187,301	\$26,031,000	\$192,969

* Updated to reflect revised expenditure data



FY 2004 Funding

	FY 2003 <u>Approp.</u>	FY 2004 <u>Approp.</u>
Gen. Admin.	\$22,831,000	\$23,361,000
Nut. Educ.	\$200,000	\$200,000
Capital	<u>\$3,000,000</u>	<u>\$3,000,000</u>
Total	\$26,031,000	\$26,561,000*

*** Increase of \$530,000**



FY 2004 Funding

General Administrative Funding Allocation

- Each Region received same allocation as in FY 2003 (\$22,831,000 total) + a share of the \$530,000 increase:
 - 20% of increase was divided among all Regions based on normal funding index
 - 80% of increase was divided between SWRO and WRO
- All Regions received increase over FY 2003 funding allocation



FY 2004 Funding

Capital Expenditure Funding Allocation

	<u>FY 2003</u>	<u>FY 2004</u>	<u>Difference</u>
NERO	\$60,251	\$0	-\$60,251
SERO	\$109,361	\$1800	-\$107,561
MWRO	\$366,415	\$325,800	-\$40,615
MPRO	\$516,768	\$722,100	\$205,332
SWRO	\$899,251	\$1,629,900	\$730,649
WRO	<u>\$1,047,954</u>	<u>\$320,400</u>	<u>-\$727,554</u>
Total	\$3,000,000	\$3,000,000	



FY 2004 Funding

Total Administrative Funding Allocation*

	<u>FY 2003</u>	<u>FY 2004</u>	<u>Difference</u>
NERO	\$283,954	\$223,741	-\$60,213
SERO	\$287,843	\$181,359	-\$106,484
MWRO	\$2,890,642	\$2,854,876	-\$35,766
MPRO	\$7,074,974	\$7,295,358	\$220,384
SWRO	\$7,123,113	\$8,128,896	\$1,005,783
WRO	<u>\$8,367,974</u>	<u>\$7,876,770</u>	<u>-\$491,204</u>
Total	\$26,031,000	\$26,561,000	

***includes Nut. Educ. and Capital Expenditures**



FY 2005 President's Budget

	FY 2004 <u>Appropriation</u>	FY 2005 <u>President's Budget</u>
Total Admin.	\$26,561,000	\$23,962,000
Food Costs	<u>\$59,676,000</u>	<u>\$53,545,000</u>
Total	\$86,237,000	\$77,507,000

- FY 2004 funding includes \$4 mil for bison and \$3 mil for capital expenditures
- FY 2005 Budget does not include funding for capital expenditures or bison purchases
- FY 2005 Budget includes inflation factor of \$401,000 for total administrative funding